Issue No.	Issue Description	Sage Language	Sage Rationale	SBC Language	SBC Rationale	Arbitrator's Decision
1	What obligations do the parties have for Incollect charges, which are associated with certain SBC-provided or other third party-provided calls, such as collect calls, calling card calls, and third party calls, that are not originated by a Sage customer, but rather are accepted by a Sage customer?	Article XXVII, Section 27.16.3: **Incollects: For messages that originate from a number other than the billing number and that are billable to CLEC customers (Incollects), SWBT will provide the rated messages it receives from the CMDS1 network or which SWBT records (non-ICS) to CLEC for billing to CLEC's end users. SWBT will transmit such data on a daily basis. SWBT will credit CLEC the Billing and Collection (B&C) fee for billing the Incollects. The B&C credit will be provided in accordance with the procedures set forth in Article XXXVIII of the Agreement and the credit will be $0.03 per billed message. CLEC and SWBT have stipulated that a per message charge for SWBT's transmission of Incollect messages to CLEC is applicable, and SWBT will bill CLEC for the transmission charge.**	Sage should only have the obligation to make good faith efforts to bill and collect the Incollects, but should not bear responsibility to SBC for uncollectible charges. Sage respectfully offers several reasons for this conclusion: First, Sage, as the local carrier, has no role in or knowledge of the provision of the collect call service; has no role or authority over SBC's rates for the collect call service; bases its bills for Incollect charges solely on SBC-provided and rated records; and, does not receive any revenues from the incollect calls beyond the nominal billing and collection fee of 3 cents. In contrast, the originating party, which is	Article XXVII, Section 27.16.3: SBC opposes the entirety of Sage's proposed language. Instead, SBC proposes its ABS Appendix, which is attached to the petition as part of the redlined contract language. Article VI, Section 6.3.4.1: Neither party shall be liable to the other for any fraud associated with a party's end user's accounting including 1+ IntraLATA toll and ported numbers, unless such fraud is determined to have been committed by an employee or other person under the control of one of the parties (in which case, the party that committed the fraud shall be liable for the fraud). If the fraud is committed by an end user, neither party is liable for the fraud, but both parties reserve the right to pursue the appropriate remedies against the end user. ~~CLEC will not be liable for Alternatively Billed~~	In other jurisdictions, SBC has taken the position that the ABS Appendix is appropriate because, in SBC's view, it requires the CLEC to take responsibility for the charges of the CLEC's local customers.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

1

		charge. **Uncollectible charges are defined as Incollect charges billed to CLEC by SWBT which are not able to be collected by CLEC from CLEC's end users despite collection efforts by CLEC. This term does not include rejects, unbillables, or adjustments. The definition of uncollectibles should include fraudulent charges to the extent that the fraudulent charges otherwise also meet the criteria of uncollectible.** Article VI, Section 6.3.4.1: Neither party shall be liable to the other for any fraud associated with a party's end user's accounting including 1+ IntraLATA toll and ported numbers, unless such fraud is determined to have been committed by an employee or other person under the control of one of the parties (in which case, the party that committed the fraud shall	generally SBC or its affiliates, provides the collect call service; sets the tariffed rates for the service; is the originator of all call records associated with the collect call; and, receives the revenues. Therefore, SBC should take responsibility for uncollectible charges. Second, the first paragraph of Sage's proposed language is identical to the language that the state commissions in Michigan and Wisconsin approved for the interconnection agreements between AT&T and SBC and the Texas commission approved for the agreement between Sage and SBC. To avoid any future disputes with SBC over the proper interpretation of the first paragraph,	~~Service ("ABS").~~ ABS is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABS calls: calling card, collect, and third number billed calls. Article VII, Section 7.1.5: The Originating Party shall provide to the Terminating Party sufficient information regarding uncollectibles and Customer adjustments. The Terminating Party shall pass through the adjustments to the information provider. Final resolution regarding all disputed adjustments shall be solely between the Originating Party and the information provider. ~~CLEC will not be liable for uncollectible charges.~~		

| | | be liable for the fraud). If the fraud is committed by an end user, neither party is liable for the fraud, but both parties reserve the right to pursue the appropriate remedies against the end user. **CLEC will not be liable for Alternatively Billed Service ("ABS").** ABS is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABS calls: calling card, collect, and third number billed calls.

Article VII, Section 7.1.5:

The Originating Party shall provide to the Terminating Party sufficient information regarding uncollectibles and Customer adjustments. The Terminating Party shall pass through the adjustments to the information provider. Final resolution regarding all disputed adjustments shall be solely between the Originating Party and the information provider. **CLEC will not be liable** | Sage drafted the second paragraph to clarify the definition of uncollectible charges, consistent with the recent arbitration award issued by the Texas commission on this issue. (To Sage's knowledge, Texas is the only state commission to issue a decision on the incollect issue in dispute in this proceeding.)

Third, SBC's proposed ABS Appendix is based on the incorrect premise that CLECs are financially responsible for between 65 and 100 percent of SBC's incollects that are uncollectible. SBC's proposal is unreasonable, which is why no state commission (to Sage's knowledge) has approved of SBC's approach or ABS | | | |

		for uncollectible charges.	Appendix in a contested arbitration. Finally, Sage respectfully urges the Commission to approve Sage's language because it is inequitable to require Sage to make SBC whole when the end user fails to pay SBC for SBC's incollect services (whether through fraud or otherwise).			
2	What are the appropriate rates, terms, and conditions for combinations?	Sage is proposing the language that the Michigan commission approved last year in Case No. U-12465 for UNE combinations. Due to the length of the language, Sage is attaching the relevant language (Section 9.3) as Exhibit D. Schedule 9.5, Section 9.5.1.1: Subject to the terms of Article IX, CLEC may order and/or request Network Elements on an unbundled basis either individually or as Combinations.	Sage respectfully urges the Commission to approve the contract language approved by the Michigan commission (Sage's proposed language for Section 9.3, Schedule 9.3, Schedule 9.5, Section 9.5.1.1, & Article IX, Section 9.2.6), which appropriately captures the scope of SBC's obligations to perform combinations,	SBC is proposing its 13-state Appendix UNE Combining, which is attached to the redlined interconnection agreement that Sage is including with this Petition. Schedule 9.5, Section 9.5.1.1: Subject to the terms of Article IX, CLEC may order and/or request Network Elements on an unbundled basis either individually or as Combinations. "Combinations," as used in this Schedule, shall refer only to	SBC did not articulate a specific rationale to Sage.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

4

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		"Combinations," as used in this Schedule, shall refer only to Combinations defined in Article IX, Section 9.11 ~~and Appendix UNE Combining~~. Access to UNEs is provided under this ICA over such routs, technologies and facilities as SBC may elect at its own discretion. SBC will provide access to UNEs where technically feasible. Where facilities and equipment are not available, SBC shall not be required to provide UNE. However, CLEC may request an, to the extent required by law, SBC may agree to provide UNEs, through the Bona Fide Request (BFR) Process. Article IX, Section 9.2.6: **When an existing service employed by CLEC is replaced with a combination(s) of Unbundled Network Elements must be physically connected at the time of CLECs request, (including a combination of Network Elements), SBC-AMERITECH will not**	rather than SBC's proposed language, which fails to capture its obligations. Sage also respectfully requests adoption of its language for Article IX, Section 9.3.2.1, which appropriately captures the forward looking costs that SBC incurs for conversions and new combinations. The Commission is also reviewing these issues in the upcoming arbitration between AT&T and SBC in Case No. 03-0239.	Combinations defined in Article IX, Section 9.11 **and Appendix UNE Combining**. Access to UNEs is provided under this ICA over such routs, technologies and facilities as SBC may elect at its own discretion. SBC will provide access to UNEs where technically feasible. Where facilities and equipment are not available, SBC shall not be required to provide UNE. However, CLEC may request an, to the extent required by law, SBC may agree to provide UNEs, through the Bona Fide Request (BFR) Process. Article IX, Section 9.2.6: **Charges for migrating of existing telecommunications service(s) to a combination of network Elements are priced at total element long-run incremental cost as set forth in the Pricing Schedule. Charges for the conversion of an end user's existing service to Unbundled Network Elements (including Combinations) shall be**		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

5

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		physically disconnect or separate in any other fashion equipment and facilities employed to provide the service(s) unless requested by CLEC. Charges for such transitioning of an existing service(s) to a combination of Unbundled Network Elements will be the (that are pre-existing or already assembled be non-recurring and recurring charges applicable to the elements included in the combination, and the applicable service order charges as specified in the attached Pricing Schedule) are priced at the total element long-run incremental cost as set forth on the Pricing Schedule. Article IX, Section 9.3.2.1: Charges for the conversion of an end user's existing service to Unbundled Network Elements (including Combinations) shall be as set forth in the Pricing Schedule as per the applicable UNE or UNE		**as set forth in the Pricing Schedule as per the applicable UNE or UNE Combination. Currently offered UNE combinations are set forth in Table 1 herein. Charges for conversions of combinations not included in Table 1 will be determined as part of the BFR or BFR0OC process, as appropriate.** Article IX, Section 9.3.2.1: Charges for the conversion of an end user's existing service to Unbundled Network Elements (including Combinations) shall be as set forth in the Pricing Schedule as per the applicable UNE or UNE Combinations. Currently offered UNE combinations are set forth in Table 1 of the schedule/amendment/ appendix. Charges for conversions of existing combinations not included in the combination schedule will be determined as part of the BFR or BFR OC process. ~~Service order charges are the only charges that~~	

		Combinations. Currently offered UNE combinations are set forth in Table 1 of the schedule/amendment/ appendix. Charges for conversions of existing combinations not included in the combination schedule will be determined as part of the BFR or BFR OC process. **Service order charges are the only charges that apply to conversions of existing combinations. Service order charges and the non-recurring charges for the individual UNEs will apply to new combinations.**		~~apply to conversions of existing combinations. Service order charges and the non-recurring charges for the individual UNEs will apply to new combinations.~~		
3	Should the general "change in law" provisions of the agreement apply to changes in SBC's obligations to perform combinations?	Article IX, Section 9.1 (fifth paragraph): Upon the effective date of any regulatory, judicial, or legislative action setting forth, eliminating, or otherwise delineating or clarifying the extent of an incumbent LEC's UNE combining obligations, **the change in law or intervening law provisions of this agreement will apply.**	Yes. All other changes in the parties' obligations are addressed through the change in law provisions of Article XXIX, Section 29.4. Sage respectfully urges the Commission to reject SBC's proposed contract language, as it unreasonably singles out changes to SBC's	Article IX, Section 9.1 (fifth paragraph): Upon the effective date of any regulatory, judicial, or legislative action setting forth, eliminating, or otherwise delineating or clarifying the extent of an incumbent LEC's UNE combining obligations, **SBC-13STATE shall be immediately relieved of any obligation to perform any non-included combining**	SBC did not articulate a specific rationale to Sage.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

7

			obligations to perform combinations for preferential treatment. As best Sage can tell, the only rationale for SBC's proposed language is that SBC desires rapid implementation of any changes to its combination obligations. If the change in law provisions are appropriate for other changes in legal obligations (which they are), then they are appropriate for changes in SBC's combination obligations.	**functions or other actions under this Agreement or otherwise, and CLEC shall thereafter be solely responsible for any such non-included functions or other actions. This Section 3.3.2.2 shall apply in accordance with its terms, regardless of any "change of law" or "intervening law" or similarly purposed or other provision of the Agreement and, concomitantly, the first sentence of this Section 3.3.2.2 shall not affect the applicability of any such provisions in situations not covered by the first sentence.**		
4	Should the general "change in law" provisions of the agreement apply to changes in the Appendix Performance Measurements?	Appendix Performance Measurements, Section 2.1: In the event that any of the provisions of this Appendix, or any of the laws, regulations or Commission orders that were the basis or rationale for such provision of this Appendix, are invalidated, modified, or stayed by any action of any state or federal regulatory or	As with Issue 3, SBC is attempting to obtain preferential treatment for changes in its obligations to measure its performance and pay remedies for failure to meet the performance objectives. All other changes in the parties'	Appendix Performance Measurements, Section 2.1: In the event that any of the provisions of this Appendix, or any of the laws, regulations or Commission orders that were the basis or rationale for such provision of this Appendix, are invalidated, modified, or stayed by any action of any state or federal regulatory or	SBC did not articulate a specific rationale to Sage.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

8

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		legislative body, or court or competent jurisdiction, the Appendix or affected provisions shall be immediately invalidated, modified, clarified, or stayed as required to effectuate the subject order upon written request of either Party **and in conformance with the change in law provisions of this agreement.** The Parties shall then immediately begin negotiations to amend the Appendix with appropriate conforming language. AM-IL also specifically reserves the right to seek recovery of payments made pursuant to this Appendix, consistent with any action of such regulatory or legislative body or court. **CLEC reserves all rights to contest AM-IL's attempts to seek recovery of these payments.**	obligations are addressed through the change in law provisions of Article XXIX, Section 29.4. There is no reasonable policy justification for singling out SBC's performance measurement obligations for special treatment. Finally, Sage proposes the last phrase to clarify that Sage reserves the right to contest SBC's interpretation of the alleged change in law.	legislative body, or court or competent jurisdiction, the Appendix or affected provisions shall be immediately invalidated, modified, clarified, or stayed as required to effectuate the subject order upon written request of either Party ~~and in conformance with the change in law provisions of this agreement.~~ The Parties shall then immediately begin negotiations to amend the Appendix with appropriate conforming language. AM-IL also specifically reserves the right to seek recovery of payments made pursuant to this Appendix, consistent with any action of such regulatory or legislative body or court. ~~CLEC reserves all rights to contest AM-IL's attempts to seek recovery of these payments.~~		
5	Should Enhanced Extended Links ("EELs") be classified as new combinations and subject to network restrictions beyond applicable state and federal decisions?	Schedule 9.2.1, Section 9.2.1.4: **EELs will be provided under this Agreement in accordance with all pertinent Commission and FCC orders, including the**	No. SBC's proposed language classifies all EELs as new combinations. SBC's language is inappropriate because SBC has existing loop and	Schedule 9.2.1, Section 9.2.1.4: **A New Enhanced Extended Loop (New EEL) is a new combination of UNEs consisting of certain Unbundled Local Loops**	SBC did not articulate a specific rationale to Sage.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

| | | **Supplemental Order and Order Clarifying Supplemental Order referenced in 9.2.1.3.6, above.** | transport combinations in its network, either as existing EELs or special access circuits. Those EELs would be existing combinations and thus subject to the pricing and other legal provisions that are applicable to existing combinations. SBC's language also includes several network descriptions that arguably restrict a CLEC's access to EELs in a manner that is more restrictive than any applicable state and federal decisions. Accordingly, and given the uncertainty created by the impending order from the FCC in the Triennial Review, Sage respectfully requests adoption of its language. | **together with certain Unbundled Dedicated Transport (UDT), using the appropriate cross-connects and, when needed, multiplexing between the Unbundled Loop and UDT in a particular EEL. The New EEL consists of an Unbundled Local Loop (joining a telecommunications carrier's end user's premises and SBC-Michigan's central office serving that end user where the telecommunications carrier is not physically collocated) connected to Unbundled Dedicated Transport (joining SBC-Michigan's central office serving that end user to a telecommunications carrier's collocation arrangement in a different SBC-Michigan central office in the same LATA.) EELs may be provided under this Agreement only in accordance with all pertinent Commission and FCC orders (such as the final ruling on the Triennial Review), including the Supplemental Order** | | |

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

10

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

				and Supplemental Order Clarification referenced in Section 9.2.1.3.6, above.		
6	Can SBC apply charges for trunk rearrangements beyond the forward-looking charges necessary to perform the trunk rearrangements?	Schedule 9.2.6, Section 9.2.6.1.7.1: **Where physical trunking rearrangement work is performed in the process of establishing custom routing groups for migrating Operator and DA services to CLEC, SBC-AMERITECH shall apply only those charges necessary to recover the forward-looking economic costs of performing the trunk rearrangements.**	No, the charges should be limited to the forward-looking charges incurred by SBC. Sage's proposed language is from the Michigan interconnection agreement that currently exists between AT&T and SBC. SBC's proposed language, on the other hand, is inappropriate because it arguably allows SBC to double-recover customized routing costs that are recovered in other charges. This issue may be resolved by the Commission in an upcoming arbitration between AT&T and SBC.	Schedule 9.2.6, Section 9.2.6.1.7.1: **Where physical trunking rearrangement work is performed in the process of establishing custom routing groups for migrating Operator and DA services to CLEC, SBC-AMERITECH shall charge for performing the trunk rearrangements. Additional charges may be applicable for SBC to recover its costs in providing the customized routing for AT&T, e.g., performing translation work and building routing tables specific to AT&T's request. Charges under this Section shall be calculated pursuant to 252(d)(1).**		
7	Can SBC assess branding charges on Sage before those charges are approved by the Commission?	Schedule 9.2.9, Section 9.2.9.2.2.3.1: An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group for the establishment of	No. SBC cannot assess branding charges on Sage prior to approval of the charges by the Commission. Unless SBC can point to a specific	Schedule 9.2.9, Section 9.2.9.2.2.3.1: An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group for the establishment of	SBC objected to Sage's proposed language on the grounds that it was arbitrated language from Michigan.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

11

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		AT&T specific branding. In addition, a per call charge applies for every DA call handled by SBC-AMERITECH on behalf of AT&T when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. If OS and DA branding are loaded at the same time, one initial charge applies to both. **CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.**	decision by the Commission approving SBC's proposed charges (SBC has not done so to date), Sage's language is appropriate because SBC should not be allowed to assess a charge without prior Commission approval.	AT&T specific branding. In addition, a per call charge applies for every DA call handled by SBC-AMERITECH on behalf of AT&T when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. If OS and DA branding are loaded at the same time, one initial charge applies to both. ~~CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.~~		
		Schedule 9.2.9, Section 9.2.9.1.5.2.1:		Schedule 9.2.9, Section 9.2.9.1.5.2.1:		
		SBC-AMERITECH - An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group		SBC-AMERITECH - An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group for the establishment of		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

12

| | | for the establishment of AT&T specific branding. In addition, a per call charge applies for every OS call handled by SBC-AMERITECH on behalf of AT&T when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. **CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.**

Schedule 9.2.9, Section 9.2.9.7.1.1.4.1:

An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group for the establishment of CLEC specific branding. In addition, a per call charge applies for every | | AT&T specific branding. In addition, a per call charge applies for every OS call handled by SBC-AMERITECH on behalf of AT&T when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. ~~CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.~~

Schedule 9.2.9, Section 9.2.9.7.1.1.4.1:

An initial non-recurring charge applies per brand, per Operator Assistance Switch, per trunk group for the establishment of CLEC specific branding. In addition, a per call charge applies for every OS call handled by SBC-AMERITECH on behalf | | |

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

13

		OS call handled by SBC-AMERITECH on behalf of CLEC when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. **CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.**		of CLEC when such services are provided in conjunction with the purchase of SBC-AMERITECH unbundled local switching. An additional non-recurring charge applies per brand, per Operator assistance switch, per trunk group for each subsequent change to the branding announcement. ~~CLEC shall be required to pay these charges when and if they are approved by the Commission. Neither Party waives its right to argue for or against a true-up of such rates and reserves the right to so do.~~		
8	Is Sage required to disclose to SBC the retail service that Sage intends to use with an existing combination, or detailed technical information about the existing combination, in order to receive continued access to an existing combination of UNEs that SBC previously	Schedule 9.5, Section 9.5.1.2: ~~A telecommunications carrier who submits a request for any additional Combination provided previously hereunder by SBC-Ameritech pursuant to the Bona Fide Request process shall provide:~~ ~~(a) a technical description of each requested feature, capability, functionality~~	No, because it is unreasonable to require this level of detailed information when SBC is already providing the combination of UNEs. SBC's proposed language is unreasonable because it requires Sage to provide a detailed technical description of the combination of	Schedule 9.5, Section 9.5.1.2: **A telecommunications carrier who submits a request for any additional Combination provided previously hereunder by SBC-Ameritech pursuant to the Bona Fide Request process shall provide:** **(a) a technical description of each requested feature,**	SBC did not articulate a specific rationale to Sage, beyond pointing to SBC's Appendix UNE Combining.	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

14

	provided through the Bona Fide Request ("BFR") process?	or unbundled network element requested including specifications of what UNEs the telecommunications carrier requests the Company to combine, or (b) a service provided by the Company that the telecommunications carrier wishes to provide through an ordinarily combined combination of UNEs. This includes retail services provided by the Company that may be requested, on a UNE basis.	UNEs, or a description of Sage's proposed retail service, even though SBC is currently providing the combination. If SBC is already providing the combination, Sage should be able to order the combination using the standard ordering processes for UNEs and combinations of UNEs.	**capability, functionality or unbundled network element requested including specifications of what UNEs the telecommunications carrier requests the Company to combine, or** **(b) a service provided by the Company that the telecommunications carrier wishes to provide through an ordinarily combined combination of UNEs. This includes retail services provided by the Company that may be requested, on a UNE basis.**	
9	Should the reciprocal compensation attachment contain internally consistent terms?	<u>Reciprocal Compensation Amendment, Section 4.10.4(a)</u>: Reciprocal compensation applies to transport and termination of Local ~~Calls~~**Traffic**, as defined in Schedule 1.2.	Yes. Schedule 1.2 does not provide a definition for the term "Local Calls," but does contain a definition for "Local Traffic."	<u>Reciprocal Compensation Amendment, Section 4.10.4(a)</u>: Reciprocal compensation applies to transport and termination of Local **Calls**~~Traffic~~, as defined in Schedule 1.2.	SBC was still reviewing this issue at the end of the negotiations.	
10	Should the Merger Conditions Pricing Template clarify that the rates in the template apply for the duration of the contract?	<u>Merger Conditions Pricing Template</u>: **These rates apply for the duration of the contract.**	Yes. Consistent with the merger conditions, the rates in the template should apply for the duration of the contract.	<u>Merger Conditions Pricing Template</u>: ~~These rates apply for the duration of the contract.~~	SBC was still reviewing this issue at the end of the negotiations.	
11	Should the pricing appendix specify	<u>Appendix Pricing, Section 3.3</u>:	Yes. Sage's language is	<u>Appendix Pricing, Section 3.3</u>:	SBC was still reviewing this	

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

	that "as is" conversions are only subject to a service order charge?	Consistent with FCC Rule 51.307(d), there may be non-recurring charges for each UNE. **"As is" conversions only incur a service order charge, as outlined elsewhere in the Agreement.**	appropriate because SBC does not incur any physical work to process an "as is" conversion, beyond the activities for processing the service order that are captured in the service order charge.	Consistent with FCC Rule 51.307(d), there may be non-recurring charges for each UNE. ~~"As is" conversions only incur a service order charge, as outlined elsewhere in the Agreement.~~	issue at the end of the negotiations.	
12	Should the contract contain language that addresses the resolution of errors for listings in SBC's OS/DA databases?	Schedule 9.2.9, Section 9.2.9.8 **Ameritech may from time to time contact CLEC regarding what appears to be an obvious or potential grammatical or spelling error with an individual CLEC end user listing in the Ameritech Operator Services and Directory Assistance (DA) database. Such errors could include for example an extra letter in a person's name such as Williams, or the substitution of a suffix for a person's last name, such as Alvin Senior, instead of Alvin Williams, Sr., among other obvious errors. CLEC agrees that AMERITECH may temporarily change the**	Yes. Sage's proposed language is appropriate because it allows, but does not require, SBC to correct obvious typographical errors in OS/DA listings. Such corrections benefit end users, who obviously prefer to have correct OS/DA listings.	Schedule 9.2.9, Section 9.2.9.8 ~~Ameritech may from time to time contact CLEC regarding what appears to be an obvious or potential grammatical or spelling error with an individual CLEC end user listing in the Ameritech Operator Services and Directory Assistance (DA) database. Such errors could include for example an extra letter in a person's name such as Williams, or the substitution of a suffix for a person's last name, such as Alvin Senior, instead of Alvin Williams, Sr., among other obvious errors. CLEC agrees that AMERITECH may temporarily change the end user listing in the DA database, until the CLEC submits a service order to~~	SBC was still considering this contract language at the end of negotiations.	

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		end user listing in the DA database, until the CLEC submits a service order to correct the listing. Schedule 9.2.9, Section 9.2.9.8.1 **CLEC agrees to submit a service order to correct the directory listing, which will ultimately correct the end user listing in the DA database or advise AMERITECH that the listing is correct. If the CLEC fails to submit a change within 30 days of notification, AMERITECH will remove the temporary listing from the DA database and the listing will remain as is. AMERITECH will follow up with CLEC once within the thirty-day period, if no service order has been issued prior to removing the temporary change.** Schedule 9.2.9, Section 9.2.9.8.2 **CLEC agrees AMERITECH has no obligation to verify a DA**		~~correct the listing.~~ Schedule 9.2.9, Section 9.2.9.8.1 ~~CLEC agrees to submit a service order to correct the directory listing, which will ultimately correct the end user listing in the DA database or advise AMERITECH that the listing is correct. If the CLEC fails to submit a change within 30 days of notification, AMERITECH will remove the temporary listing from the DA database and the listing will remain as is. AMERITECH will follow up with CLEC once within the thirty day period, if no service order has been issued prior to removing the temporary change.~~ Schedule 9.2.9, Section 9.2.9.8.2 ~~CLEC agrees AMERITECH has no obligation to verify a DA listing and assumes no responsibility to identify errors. AMERITECH will not search for DA listing errors, nor provide~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

17

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		listing and assumes no responsibility to identify errors. **AMERITECH will not search for DA listing errors, nor provide for verification of DA listings. CLEC further agrees AMERITECH has no liability to CLEC in identifying errors in the DA database or notifying CLEC of errors. CLEC further agrees that AMERITECH shall have no liability for temporarily correcting what appears to be an obvious or potential grammatical or spelling error. CLEC further agrees to indemnify, defend, and hold AMERITECH harmless from any and all third party claims arising from AMERITECH temporarily correcting an obvious or potential error, and/or CLEC's failure to submit a correcting service order, except where AMERITECH acted with gross negligence or willful misconduct.**		~~for verification of DA listings. CLEC further agrees AMERITECH has no liability to CLEC in identifying errors in the DA database or notifying CLEC of errors. CLEC further agrees that AMERITECH shall have no liability for temporarily correcting what appears to be an obvious or potential grammatical or spelling error. CLEC further agrees to indemnify, defend, and hold AMERITECH harmless from any and all third party claims arising from AMERITECH temporarily correcting an obvious or potential error, and/or CLEC's failure to submit a correcting service order, except where AMERITECH acted with gross negligence or willful misconduct.~~		
13	Should SBC be held responsible for intentional,	Schedule 9.2.9, Section 9.2.9.6.2:	Yes, because it is unsound public policy to excuse	Schedule 9.2.9, Section 9.2.9.6.2:	SBC was still considering Sage's proposed	

	deliberate, or willful invasion of privacy or infringement of confidentiality associated with SBC's offer of OS/DA?	[CLEC] also agrees to release, defend, indemnify, and hold harmless SBC-AMERITECH from any claim, demand or suit that asserts any infringement or invasion of privacy or confidentiality of any person or persons caused or claimed to be caused, directly, or indirectly, by SBC-AMERITECH employees and equipment associated with provision of the OS and DA Services, including but is not limited to suits arising from disclosure of the telephone number, address, or name associated with the telephone called or the telephone used to call Operator Services and Directory Assistance. **This will apply so long as the actions by SBC-Ameritech or its employees were not willful, intentional or deliberate.**	SBC from liability for willful, intentional, or deliberate invasions of privacy or infringements of confidentiality. Indeed, Sage's proposed contract language is consistent with language commonly found in many tariffs, which typically maintain liability for willful, intentional, or deliberate acts.	[CLEC] also agrees to release, defend, indemnify, and hold harmless SBC-AMERITECH from any claim, demand or suit that asserts any infringement or invasion of privacy or confidentiality of any person or persons caused or claimed to be caused, directly, or indirectly, by SBC-AMERITECH employees and equipment associated with provision of the OS and DA Services, including but is not limited to suits arising from disclosure of the telephone number, address, or name associated with the telephone called or the telephone used to call Operator Services and Directory Assistance. ~~This will apply so long as the actions by SBC-Ameritech or its employees were not willful, intentional or deliberate.~~	sentence at the end of the negotiations.	
14	Is it appropriate for SBC to credit Sage for trouble isolation costs charged to Sage if the parties	Article IX, Section 9.15.8: **In response to a trouble ticket by CLEC where AMERITECH-ILLINOIS determines in**	Yes. Sage's language is appropriate because it reasonably reimburses Sage	Article IX, Section 9.15.8: ~~In response to a trouble ticket by CLEC where AMERITECH-ILLINOIS determines in error that~~	SBC was still reviewing Sage's language at the end of the negotiations.	

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

ultimately discover that the trouble resided on SBC's network?	**error that the trouble is in CLEC's network or CLEC's end users equipment or communications systems, and CLEC subsequently finds the trouble resides in AMERITECH-ILLINOIS network, CLEC will be credited for all AMERITECH-ILLINOIS trouble isolation costs of the original trouble ticket, and if deemed necessary, subsequent trouble tickets warranted to the same case of trouble. In addition, CLEC may charge AMERITECH-ILLINOIS after closing the trouble ticket, a charge for trouble isolation, at a rate not to exceed the tariffed amount that AMERITECH-ILLINOIS could charge CLEC under AMERITECH-ILLINOIS' tariff for the same service, provided that CLEC's time for trouble isolation must be reasonable in relation to work actually performed, and further provided that AMERITECH-**	for trouble isolation costs that Sage incurs when SBC initially determines that trouble resided on Sage's network, but ultimately determines that the trouble resided on SBC's network. Furthermore, Sage's language is reasonable because SBC agreed to this language with TDS Metrocom, Inc..	~~the trouble is in CLEC's network or CLEC's end users equipment or communications systems, and CLEC subsequently finds the trouble resides in AMERITECH ILLINOIS network, CLEC will be credited for all AMERITECH ILLINOIS trouble isolation costs of the original trouble ticket, and if deemed necessary, subsequent trouble tickets warranted to the same case of trouble. In addition, CLEC may charge AMERITECH ILLINOIS after closing the trouble ticket, a charge for trouble isolation, at a rate not to exceed the tariffed amount that AMERITECH ILLINOIS could charge CLEC under AMERITECH ILLINOIS' tariff for the same service, provided that CLEC's time for trouble isolation must be reasonable in relation to work actually performed, and further provided that AMERITECH ILLINOIS may pay such charges to CLEC my means of an identifiable credit on CLEC's account.~~	

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

20

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		ILLINOIS may pay such charges to CLEC my means of an identifiable credit on CLEC's account. <u>Schedule 9.2.2, Section 9.2.2.14.8</u>: **If the CLEC opens a trouble ticket for the HFPL portion of the loop to AMERITECH-ILLINOIS and the problem is determined to be in the CLEC's network, the CLEC will pay AMERITECH-ILLINOIS the applicable effective tariffed rate for trouble isolation, maintenance, and repair (as specified in Section 9.2.2.14 above) upon closing the trouble ticket. In response to a trouble ticket initiated by CLEC where AMERITECH-ILLINOIS determines in error that the trouble is in CLEC's network, and CLEC subsequently finds the trouble resides in AMERITECH-ILLINOIS network, CLEC will be credited for all AMERITECH-ILLINOIS trouble isolation costs on the**		<u>Schedule 9.2.2, Section 9.2.2.14.8</u>: ~~If the CLEC opens a trouble ticket for the HFPL portion of the loop to AMERITECH-ILLINOIS and the problem is determined to be in the CLEC's network, the CLEC will pay AMERITECH ILLINOIS the applicable effective tariffed rate for trouble isolation, maintenance, and repair (as specified in Section 9.2.2.14 above) upon closing the trouble ticket. In response to a trouble ticket initiated by CLEC where AMERITECH ILLINOIS determines in error that the trouble is in CLEC's network, and CLEC subsequently finds the trouble resides in AMERITECH ILLINOIS network, CLEC will be credited for all AMERITECH ILLINOIS trouble isolation costs on the original trouble ticket, and, if deemed necessary, subsequent trouble tickets warranted to the same case of trouble. In addition, CLEC may charge AMERITECH-ILLINOIS after closing~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

21

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		original trouble ticket, and, if deemed necessary, subsequent trouble tickets warranted to the same case of trouble. In addition, CLEC may charge AMERITECH-ILLINOIS after closing the trouble ticket, a charge for trouble isolation, at a rate not to exceed the tariffed amount that AMERITECH-ILLINOIS could charge CLEC under AMERITECH-ILLINOIS' tariff for the same service, provided that CLEC's time for trouble isolation must be reasonable in relation to the work actually performed, and further provided that AMERITECH-ILLINOIS may pay such charges to CLEC by means of an identifiable credit on CLEC's account. If either Party disagrees with the applicable charge assessed, the determination of the appropriate charge will be subject to the dispute resolution provisions of this Agreement.		~~the trouble ticket, a charge for trouble isolation, at a rate not to exceed the tariffed amount that AMERITECH ILLINOIS could charge CLEC under AMERITECH ILLINOIS' tariff for the same service, provided that CLEC's time for trouble isolation must be reasonable in relation to the work actually performed, and further provided that AMERITECH ILLINOIS may pay such charges to CLEC by means of an identifiable credit on CLEC's account. If either Party disagrees with the applicable charge assessed, the determination of the appropriate charge will be subject to the dispute resolution provisions of this Agreement.~~		

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

| 15 | Should SBC provide access to unbundled local switching with unbundled shared transport for local and intraLATA traffic? | Article IX, Section 9.4.5:

Access to IntraLATA Transmission Capabilities

9.4.5.1 SBC Ameritech Illinois shall provide CLEC access on an unbundled basis to the intraLATA interexchange transmission capabilities of SBC Ameritech Illinois' existing network as and to the extent required by FCC rules and orders, including the Forfeiture Order ("IntraLATA Transmission Capabilities"). As used herein, "IntraLATA Transmission Capabilities" includes the L-PIC Ability as defined in paragraph 9.4.5.2.

9.4.5.2 In conjunction with CLEC's purchase of an unbundled local circuit switching (ULS) port with unbundled shared transport from SBC Ameritech Illinois under the Agreement and as and to the extent required by FCC rules and orders (including | Yes. Sage respectfully urges the Commission to approve Sage's proposed language as it incorporates SBC's obligations under its merger conditions, as confirmed by a recent order by FCC on this specific issue. | Article IX, Section 9.4.5:

~~Access to IntraLATA Transmission Capabilities~~

~~9.4.5.1 SBC Ameritech Illinois shall provide CLEC access on an unbundled basis to the intraLATA interexchange transmission capabilities of SBC Ameritech Illinois' existing network as and to the extent required by FCC rules and orders, including the Forfeiture Order ("IntraLATA Transmission Capabilities"). As used herein, "IntraLATA Transmission Capabilities" includes the L-PIC Ability as defined in paragraph 9.4.5.2.~~

~~9.4.5.2 In conjunction with CLEC's purchase of an unbundled local circuit switching (ULS) port with unbundled shared transport from SBC Ameritech Illinois under the Agreement and as and to the extent required by FCC rules and orders (including the Forfeiture Order), SBC Ameritech Illinois shall specifically make available, upon a~~ | SBC was still reviewing Sage's language at the end of the negotiations. | |

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		the Forfeiture Order), SBC Ameritech Illinois shall specifically make available, upon a ULS port-specific request, the ability to route over SBC Ameritech Illinois' existing network "1+" intraLATA calls originating from the ULS port ("L-PIC Ability"). The L-PIC Ability will be provided from SBC Ameritech Illinois' originating end-office where the ULS port is being provided, and consists of use of SBC-Ameritech Illinois' existing intraLATA interexchange transmission facilities using the same routing tables and network facilities, including interexchange trunk groups and tandem switching, as intraLATA toll calls originated from the same end-office by SBC Ameritech Illinois' retail end user customers for whom SBC Ameritech Illinois is the presubscribed intraLATA toll carrier. The L-PIC Ability shall be made available through the use of CLEC of SBC		~~ULS port-specific request, the ability to route over SBC Ameritech Illinois' existing network "1+" intraLATA calls originating from the ULS port ("L-PIC Ability"). The L-PIC Ability will be provided from SBC Ameritech Illinois' originating end office where the ULS port is being provided, and consists of use of SBC Ameritech Illinois' existing intraLATA interexchange transmission facilities using the same routing tables and network facilities, including interexchange trunk groups and tandem switching, as intraLATA toll calls originated from the same end office by SBC Ameritech Illinois' retail end user customers for whom SBC Ameritech Illinois is the presubscribed intraLATA toll carrier. The L-PIC Ability shall be made available through the use of CLEC of SBC Ameritech Illinois' routing code or, if the means exists and are enabled by SBC Ameritech Illinois to use~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

24

		Ameritech Illinois' routing code or, if the means exists and are enabled by SBC Ameritech Illinois to use CLEC's Carrier Identification Code (CIC) instead of SBC Ameritech Illinois' code, then using CLEC's CIC. **9.4.5.3 In addition to other applicable charges, including charges for the ULS port and usage records, the rates applicable to unbundled shared transport shall also apply to the use of the L-PIC Ability. The blended transport usage-sensitive rate applies to calls originating from a ULS port and will apply in addition to ULS usage-sensitive rates, if any. The blended transport rate accounts for portions of SBC Ameritech Illinois' network used to transport calls and encompasses use of the network including non-conversation time, and accounts for both tandem- and direct-routed traffic. Any**		~~CLEC's Carrier Identification Code (CIC) instead of SBC Ameritech Illinois' code, then using CLEC's CIC.~~ ~~9.4.5.3 In addition to other applicable charges, including charges for the ULS port and usage records, the rates applicable to unbundled shared transport shall also apply to the use of the L-PIC Ability. The blended transport usage sensitive rate applies to calls originating from a ULS port and will apply in addition to ULS usage sensitive rates, if any. The blended transport rate accounts for portions of SBC Ameritech Illinois' network used to transport calls and encompasses use of the network including non conversation time, and accounts for both tandem and direct routed traffic. Any other use of the IntraLATA Transmission Capabilities shall be requested, and associated terms, conditions, and rates established, through the bona fide request process (or its similar counterpart) set forth in the~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

25

		other use of the IntraLATA Transmission Capabilities shall be requested, and associated terms, conditions, and rates established, through the bona fide request process (or its similar counterpart) set forth in the Agreement, unless such use is otherwise already provided for in this Agreement. **9.4.5.4 CLEC has the sole responsibility for entering into arrangements with terminating carriers for traffic originated by CLEC's customers, including those carried on the IntraLATA Transmission Capabilities. CLEC must indemnity and defend SBC Ameritech Illinois against any claims and/or damages that may result from the transmission of such traffic of any other carriers.** **9.4.5.5 CLEC is and will remain solely liable and responsible for any terminating**		~~Agreement, unless such use is otherwise already provided for in this Agreement.~~ ~~9.4.5.4 CLEC has the sole responsibility for entering into arrangements with terminating carriers for traffic originated by CLEC's customers, including those carried on the IntraLATA Transmission Capabilities. CLEC must indemnity and defend SBC Ameritech Illinois against any claims and/or damages that may result from the transmission of such traffic of any other carriers.~~ ~~9.4.5.5 CLEC is and will remain solely liable and responsible for any terminating compensation charges applicable to traffic originating with such ULS ports, including the traffic carried by the IntraLATA Transmission Capabilities, including such charges that are payable to third party carriers and SBC Ameritech Illinois for the termination of such traffic to their respective end-users, as applicable. The~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

26

Disputed contract language is bolded or struck-through, undisputed language is in plain font.

		compensation charges applicable to traffic originating with such ULS ports, including the traffic carried by the IntraLATA Transmission Capabilities, including such charges that are payable to third party carriers and SBC Ameritech Illinois for the termination of such traffic to their respective end-users, as applicable. The foregoing provisions of this Paragraph 9.4.5.5 shall not prejudice or otherwise affect any position that either Party may take on the application of terminating access charges in any subsequent negotiation, arbitration, or otherwise. **9.4.5.6 SBC Ameritech Illinois' offer of IntraLATA Transmission Capabilities, is not, and shall not in any way be construed to be, an admission by SBC Ameritech Illinois or any of its affiliates that any one of them has acted wrongfully and/or**		~~foregoing provisions of this Paragraph 9.4.5 shall not prejudice or otherwise affect any position that either Party may take on the application of terminating access charges in any subsequent negotiation, arbitration, or otherwise.~~ ~~9.4.5.6 SBC Ameritech Illinois' offer of IntraLATA Transmission Capabilities, is not, and shall not in any way be construed to be, an admission by SBC Ameritech Illinois or any of its affiliates that any one of them has acted wrongfully and/or unlawfully in any manner. SBC Ameritech Illinois' offer of IntraLATA Transmission Capabilities shall not be construed in any proceeding as a present or past admission of liability; shall not in any way be used as proof or evidence in any proceeding on whether SBC Ameritech Illinois previously was required by law to provide such Capabilities; and shall not be used as proof or evidence that SBC Ameritech Illinois should~~		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION
Disputed contract language is bolded or struck-through, undisputed language is in plain font.

27

		unlawfully in any manner. **SBC Ameritech Illinois' offer of IntraLATA Transmission Capabilities shall not be construed in any proceeding as a present or past admission of liability; shall not in any way be used as proof or evidence in any proceeding on whether SBC Ameritech Illinois previously was required by law to provide such Capabilities; and shall not be used as proof or evidence that SBC Ameritech Illinois should be required under the Agreement, or otherwise to continue to provide unbundled local circuit switching, unbundled shared transport, or such Capabilities.**		~~be required under the Agreement, or otherwise to continue to provide unbundled local circuit switching, unbundled shared transport, or such Capabilities.~~		
16	Should the contract contain language that outlines a process for migrating from OS/DA ordered through SBC's tariff to OS/DA ordered through the contract?	Article IX, Section 9.2.7.9 and Schedule 9.2.9, Section 9.2.9 (third paragraph): ~~In the event SBC Illinois lawfully ceases to make OS/DA available as UNEs pursuant to tariff during the term of this Agreement but SBC Illinois remains obligated~~	No, because the language is unnecessary as between Sage and SBC.	Article IX, Section 9.2.7.9 and Schedule 9.2.9, Section 9.2.9 (third paragraph): **In the event SBC Illinois lawfully ceases to make OS/DA available as UNEs pursuant to tariff during the term of this Agreement but SBC Illinois remains**	SBC was still reviewing Sage's language at the end of the negotiations.	

		~~by the Illinois Commerce Commission to make OS/DA available as UNEs pursuant to interconnection agreements, the parties shall treat this occurrence as a Change in Law event under Section 29.3 of this Agreement and negotiate an appropriate amendment within 60 days. If AT&T is purchasing OS and DA as UNEs from an SBC Illinois tariff at the time SBC lawfully ceases to make OS/DA available as UNES pursuant to tariff during the term of this Agreement yet remains obligated to provide OS and DA as UNEs at Commission approved TELRIC rates, SBC shall continue to provide OS and DA to AT&T as UNEs at Commission approved rates, terms and conditions until such time as the Illinois Commerce Commission approves the parties' amendment and such amendment becomes effective.~~		**obligated by the Illinois Commerce Commission to make OS/DA available as UNEs pursuant to interconnection agreements, the parties shall treat this occurrence as a Change in Law event under Section 29.3 of this Agreement and negotiate an appropriate amendment within 60 days. If AT&T is purchasing OS and DA as UNEs from an SBC Illinois tariff at the time SBC lawfully ceases to make OS/DA available as UNES pursuant to tariff during the term of this Agreement yet remains obligated to provide OS and DA as UNEs at Commission-approved TELRIC rates, SBC shall continue to provide OS and DA to AT&T as UNEs at Commission-approved rates, terms and conditions until such time as the Illinois Commerce Commission approves the parties' amendment and such amendment becomes effective.**		

DISPUTED ISSUES MATRIX – SAGE/SBC ARBITRATION

29

Disputed contract language is bolded or struck-through, undisputed language is in plain font.